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Financial reports and audited financial statements, and reports of the Board of Auditors

Financial reports and audited financial statements and reports of the Board of Auditors for the period ended 31 December 2017

Report of the Advisory Committee on Administrative and Budgetary Questions

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered 25 reports in connection with the financial reports and audited financial statements and reports of the Board of Auditors for the period ended 31 December 2017, as follows:

(a) Concise summary of the principal findings and conclusions contained in the reports of the Board of Auditors for the annual financial period 2017;

(b) Eighteen financial reports and audited financial statements and reports of the Board of Auditors for the financial period ended 31 December 2017 pertaining to the audited entities;

(c) Financial report and audited financial statements and report of the Board of Auditors on the United Nations Joint Staff Pension Fund;

(d) Seventh annual progress report of the Board of Auditors on the implementation of the United Nations enterprise resource planning system;

(e) Second annual progress report of the Board of Auditors on the implementation of the information and communications technology strategy;

(f) Report of the Board of Auditors on the strategic heritage plan of the United Nations Office at Geneva;

(g) Report of the Secretary-General on the implementation of the recommendations of the Board of Auditors contained in its reports for the year ended 31 December 2017 on the United Nations and on the capital master plan (advance version);

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(h) Report of the Secretary-General on the implementation of the recommendations of the Board of Auditors contained in its reports for the year ended 31 December 2017 on the United Nations funds and programmes (advance version).

2. As indicated in the footnote to the detailed list of reports set out in annex I below, the Committee will reflect its comments and recommendations on certain topics in separate reports.

3. During its consideration of the reports, the Advisory Committee met with the members of the Audit Operations Committee of the Board of Auditors, who provided additional information and clarification, concluding with written responses received on 4 October 2018. The Committee also met with representatives of the Secretary-General to discuss the status of implementation of the Board's recommendations, who provided additional information and clarification, concluding with written responses received on 8 October.

4. **The Advisory Committee commends the Board of Auditors for the quality of all of its reports, including the concise summary, in which it identifies matters of a cross-cutting nature. The Committee continues to find the reports of the Board valuable in the conduct of its own programme of work.**

II. Audit opinions of the Board of Auditors

5. As in previous years, the Board issued unqualified audit opinions for all audited entities. In the case of the International Tribunal for the Former Yugoslavia, the Board issued an emphasis of matter to draw attention to the fact that the Tribunal had ceased to be a going concern as from 1 January 2018 upon the completion of its mandate on 31 December 2017 and to the amalgamation of its remaining activities with the International Residual Mechanism for Criminal Tribunals (IRMCT). The Advisory Committee was informed, upon enquiry, that on 1 January 2018 all identifiable remaining assets and liabilities of the Tribunal had been transferred to the Residual Mechanism.

6. In the view of the Board, there has been continuous improvement in the application of the International Public Sector Accounting Standards (IPSAS) in the preparation of financial statements across the United Nations system. The Advisory Committee notes that, since 2011, all entities audited by the Board have received unqualified opinions (see A/72/537, para. 5). **The Committee welcomes the fact that all entities have again received unqualified audit opinions from the Board of Auditors.**

III. Major findings of the Board of Auditors

A. General observations

1 Overall financial situation

7. As indicated in paragraphs 8 and 9 and table 1 of the concise summary (A/73/209), the Board observed that of the 18 audited entities,[1] 13[2] of them had closed

[1] Not including the United Nations Joint Staff Pension Fund, because it follows International Accounting Standard 26 for the reporting framework and IPSAS for accounting treatments.

[2] The United Nations, the United Nations peacekeeping operations, the International Trade Centre (ITC), the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP), the United Nations Population Fund (UNFPA), the United Nations Children's Fund (UNICEF), the United Nations Institute for Training and Research (UNITAR), the Office of the United Nations High Commissioner for Refugees (UNHCR), the United Nations Office on Drugs and Crime (UNODC), the United Nations Office for Project Services (UNOPS), the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) and the International Tribunal for the Former Yugoslavia.

the financial year with a surplus, while 5[3] had recorded a deficit. The Board indicates, furthermore, that, of those five entities, two (UN-Habitat and IRMCT) had recorded a surplus in the previous financial year. The Board also observed that of the 13 entities that had closed the financial year with a surplus, 8[4] had recorded a deficit in 2016. In addition, 11 entities[5] had improved their surplus/deficit position, whereas the remaining 7 had seen a decline in that respect.

8. Details of the analysis by the Board of the financial ratios and the management of cash and investments of the audited entities are presented in the concise summary report (ibid., paras. 12–16), as well as in the relevant sections of the audit reports of the individual entities. In keeping with past practice, the Board has applied an analysis of the following ratios: (a) the cash ratio, a measurement of the amount of cash, cash equivalents and invested funds that exist to cover current liabilities; (b) the quick ratio, which is another liquidity measure that excludes such assets as inventory and other current assets, which may be more difficult to turn into cash; (c) the current ratio, or the ratio of current assets to current liabilities, indicating the ability to cover short-term liabilities; and (d) the solvency ratio, or the ratio of total assets to total liabilities (ibid., table 3).

9. The Board indicates that, in general, benchmark ratios of 1:1 signify that an entity could theoretically cover its current liabilities from its assets. All entities had solvency and liquidity ratios that were generally high, with the exception of IRMCT, which had a solvency ratio of 0.94.

10. Upon request, the Advisory Committee was provided with an overview of financial ratios for the period from 2012 to 2017, which showed that the ratios of the entities had generally remained stable (see annex II below). With respect to the financial ratios in respect of the United Nations, as reported in volume I of the report of the Board of Auditors, the Board concluded that the financial health of the United Nations remained sound, as the Organization had sufficient current assets to cover its current liabilities, as evidenced in a ratio for 2017 of 3.88 (compared with 3.41 in 2016 and 2.89 in 2015), a solvency ratio of 1.35 (compared with 1.44 in 2016 and 1.46 in 2015), a quick ratio of 3.51 (compared with 3.11 in 2016 and 2.57 in 2015) and a cash ratio of 2.42 (2.28 in 2016 and 1.77 in 2015). **The Committee notes the conclusion of the Board that the overall financial positions of the audited entities remained sound as at 31 December 2017.**

11. The Board found high ratios at some entities, for example the United Nations Capital Development Fund (quick ratio of 17.52 and cash ratio of 14.83) and UNITAR (quick ratio of 20.04 and cash ratio of 12.22), and also noted an increase in ratios at UNU (quick ratio of 5.93, compared with 3.67 in 2016; cash ratio of 4.69, compared with 2.31 in 2016) (see A/73/209, table 3). The Advisory Committee recalls the view of the Board that the acceptable levels of ratios for an entity should be decided by the respective entity and that, for example, the Finance and Budget Network of the High-level Committee on Management should facilitate the establishment of a framework in that respect (see A/72/537, para. 9). Upon enquiry, the Committee was informed that acceptable ratio levels depend on the business model of each entity. In the case of UNU, the increase in financial ratios was a result of temporary gains relating to the sale of assets, while in the case of the United Nations Capital Development Fund,

[3] The United Nations Capital Development Fund, the United Nations Human Settlements Programme (UN-Habitat), the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), United Nations University (UNU) and IRMCT.

[4] The United Nations, the United Nations peacekeeping operations, ITC, UNFPA, UNICEF, UNITAR, UN-Women and the International Tribunal for the Former Yugoslavia.

[5] The United Nations, the United Nations peacekeeping operations, ITC, the United Nations Capital Development Fund, UNFPA, UNICEF, UNITAR, UNHCR, UNU, UN-Women and the International Tribunal for the Former Yugoslavia.

high financial ratios occurred because funds could not be expended immediately owing to terms imposed by donors on the funds provided.

12. **The Advisory Committee finds the Board's financial analysis of entities very useful and continues to encourage the Board of Auditors to routinely include comparative data in future reports, including the trends in ratios over time and the correlation between ratios and the operational nature of an entity, as well as an analysis thereof (see also A/72/537, para. 9).**

13. The Board indicated that cash and cash equivalents for the United Nations amounted to $272.2 million as at 31 December 2017, representing a decrease of $548.1 million (66.8 per cent) compared with $820.3 million as at 31 December 2016. An amount of $248.77 million relates to the main cash pool, representing a decrease of $550.18 million (68.8 per cent) compared with $798.95 million as at 31 December 2016 (see A/73/5 (Vol. I), chap. V, notes 7, 30, and 31). The Advisory Committee recalls that the high level of cash and cash equivalents as at 31 December 2016 had resulted from high balances pertaining to the trust funds of the United Nations, while the overall financial assets held in the main pool remained relatively unchanged (see A/72/537, para. 10). Upon request, the Committee was provided with an overview of cash, cash equivalents and investments for the period from 2012 to 2017, which showed that the financial situation of the entities had generally remained stable (see annex III below). **The Committee notes the considerable fluctuation in cash balances for the United Nations and most of the other entities from one year to the next and trusts that these matters will be kept under close review.**

14. The Board observed that the ownership of an unassigned fund amounting to $10.72 million and named "64PFN", which was established in 2006 to meet administrative expenditures of the United Nations Joint Staff Pension Fund, had not been clearly established by either the United Nations or the Pension Fund (A/73/209, para. 23). Upon enquiry, the United Nations informed the Committee that the fund would henceforth be reflected in the financial statements of the Pension Fund. **The Committee expects that the consolidation of fund 64PFN in the balances of the Pension Fund will proceed as a matter of priority.**

15. As in the past, the Board commented on the management of reserves. In the case of UNOPS, the Board indicated that the established minimum operational reserve level had been set at a value equivalent to four months of average management expenses, or $20.7 million as at 31 December 2017. However, the actual operational reserves amounted to $158.64 million, compared with $131.59 million in 2016 (see A/73/5/Add.11, chap. II, paras. 13–16). As an example, the Board noted that progress had been made at the United Nations Capital Development Fund through the use of a new methodology, approved by the Fund's Executive Board in September 2017, whereby the operational reserve is set at 50 per cent of the average expenditure for core activities in the previous three years. As at 31 December 2017, the Fund held a reserve of $6.74 million compared with the amount of $14.07 million reported on 31 December 2016 (see A/73/5/Add.2, chap. II, para. 14).

16. **The Advisory Committee reiterates its view that entities should ensure a balanced approach to maintaining reserve levels, as well as its concern that no apparent effort has been made to establish guidance in this regard. The Committee notes that no related discussions have yet taken place at the level of the United Nations System Chief Executives Board for Coordination (CEB). The Committee recommends that the General Assembly request the Secretary-General, in his role as Chair of CEB and in consultation with the other members of CEB, to facilitate the development of reasonable benchmarks for minimum and maximum reserve levels for use by United Nations system organizations. The**

Committee looks forward to a status update thereon in the next financial statements (see also A/72/537, para. 11).

17. With respect to the management of cash and investments, the Board again pointed out that cash and investment pooling across the United Nations system may be the most desirable model, as such an approach may decrease the cost of transactions to the participating entities. The Board also pointed out that the pooling of funds had had a positive effect on overall investment performance and risk because of economies of scale and the ability to spread yield curve exposures across a range of maturities (see A/73/209, para. 21, and A/73/5 (Vol. I), chap. V, note 31, para. 229). Nine entities[6] had pooled the management of their resources with the United Nations Treasury at Headquarters, which manages investments of $8.09 billion, while five entities[7] had pooled their resources with UNDP, which manages investments of $5.67 billion for its own programme and those of other United Nations entities. UNICEF, UNHCR, UNRWA and UNOPS do not participate in an investment pool and manage their own investments (see A/73/209, sect. C, and A/72/537, para. 12). Upon enquiry, the Advisory Committee was informed that in 2016 UNOPS had withdrawn its funds from the investment pool managed by UNDP and was now managing its own investments.

18. The Advisory Committee recalls that a study conducted by the Finance and Budget Network of the High-level Committee on Management of CEB, which was finalized in July 2011, had concluded that it would be feasible to establish a Headquarters central Treasury investment management function for the United Nations system and that such a structure could result in administrative cost savings for individual United Nations entities (see A/72/537, para. 13). The Committee notes that no further steps have been taken since the conclusion of the aforementioned study and recalls its previous recommendation that a study in that respect should be undertaken, as the pooling of cash and investments could be a desirable investment management model for United Nations system entities (ibid., para. 15). **The Committee recommends that the General Assembly reiterate its request that the Secretary-General, in his role as Chair of CEB and in consultation with the other members of CEB, present viable options for a centralized Treasury investment management function for the United Nations system. Actions in this regard should be reported to the Assembly in the appropriate context during the main part of its seventy-fourth session.**

2. Status of implementation of the recommendations of the Board

19. The status of the implementation of recommendations across the audited entities is presented in the concise summary report (see A/73/209 and A/73/209/Corr.1, table 13), as well as in the audit reports of the individual entities. The Board notes that, of 742 previous recommendations for 2017 (as at 30 June for peacekeeping operations and as at 31 December for all other entities), 365 recommendations, or 49 per cent, had been fully implemented, compared with 45 per cent in 2016. Notwithstanding the slight increase, the Advisory Committee notes that the overall implementation rate remains significantly lower than the 65 per cent rate realized in the biennium 2008–2009, as indicated in the following table:

[6] The United Nations, the United Nations peacekeeping operations, ITC, UNEP, UN-Habitat, the International Tribunal for the Former Yugoslavia, IRMCT, UNODC and UNU. The latter previously pooled its resources jointly with the United Nations Treasury and the United Nations Joint Staff Pension Fund and is now pooling its resources only with the United Nations Treasury (see A/73/209, table 4, and A/72/537, para. 12).

[7] The United Nations Capital Development Fund, UNDP, UNFPA, UNITAR and UN-Women.

Recommendations implemented	
2017	49 per cent
2016	45 per cent
2015	43 per cent
2014	41 per cent
2013	49.6 per cent
2012	56 per cent
2010–2011	55 per cent
2008–2009	65 per cent

20. With respect to the United Nations, the Board of Auditors noted that, of the 129 recommendations, 31 (24 per cent) had been fully implemented, 84 (65 per cent) were under implementation, 12 (9 per cent) had not been implemented and 2 (2 per cent) had been overtaken by events (see A/73/5 (Vol. I), chap. II, paras. 8–10). In comparison, for the financial year 2016, of 98 recommendations, 17 (18 per cent) had been fully implemented, 66 (67 per cent) were under implementation, 10 (10 per cent) had not been implemented, and 5 (5 per cent) had been overtaken by events (see A/72/537, para. 35).

21. **The Advisory Committee notes that annual implementation rates have continued to improve and reiterates the need for the United Nations offices covered in volume I and other entities to strengthen their efforts for the implementation of audit recommendations. The Committee welcomes all efforts aimed at increasing the rate of implementation of recommendations, including the inclusion of specific implementation timelines agreed upon by the Board and the entities.**

B. Other matters

22. Details of the views of the Board on the various topics mentioned below are presented in the concise summary, as well as the relevant sections in the audit reports of the individual entities.

1. Fraud-related matters

23. The Board again observed that, as in the previous year, 11 of 18 entities had conducted fraud risk assessments. In addition, the Board observed that the Anti-Fraud and Anti-Corruption Framework of the United Nations Secretariat (ST/IC/2016/25) had not been operationalized in the United Nations offices covered in volume I, UNEP, UNU, UN-Habitat, UNHCR, UN-Women or UNFPA (A/73/209, paras. 40–53). The Board also raised concerns that in the Procurement Division of the United Nations, mandatory anti-fraud training had not been completed and that no dedicated procurement-related anti-fraud training had been made available (A/73/5 (Vol. I), chap. II, para. 299). With respect to the online training course on preventing fraud and corruption at the United Nations, the Advisory Committee was informed, upon enquiry, that 74 per cent of non-peacekeeping staff of the United Nations and 72 per cent of peacekeeping staff had yet to complete the course as at 28 September 2018. **The Committee stresses the importance of fraud-related training, in particular for staff in high-risk functions such as procurement.**

24. With respect to the accuracy of the number of cases of fraud reported, the Board noted that a number of cases of fraud and presumptive fraud had been omitted from the statistics provided, in particular cases that had been referred for investigation by

the United Nations offices covered in volume I of its report other than the Office of the Controller. The Board observed a lack of coordination between the Office of the Controller and the Office of Internal Oversight Services (OIOS) and concluded that, as a result, the number of cases of fraud and presumptive fraud were likely underreported and/or not reported in their entirety (ibid., para. 424). **The Advisory Committee concurs with the recommendation of the Board that the United Nations should implement a suitable mechanism to ensure coordination between the Office of the Controller, other offices of the United Nations covered in volume I and OIOS for a complete and comprehensive reporting of cases of fraud and presumptive fraud.**

2. Management of implementing partners

25. The Board observed a number of deficiencies, including: (a) delays in disbursements from country-based pooled funds to implementing partners; (b) delays in financial statements and refunds received from implementing partners; and (c) inadequate comparative screening and assessment in the selection of implementing partners (A/73/209, paras. 54–66). **The Advisory Committee again concurs with the concern of the Board of Auditors with respect to the management of implementing partners and is of the view that more efforts are required with respect to adequate monitoring and oversight across different entities, as well as their screening and selection processes.**

3. Consultants

26. The Board highlighted a number of issues concerning consultants in the United Nations offices covered in volume I and in various other entities. These include inadequate processes used for the recruitment of consultants, inadequate roster management, the hiring of consultants to undertake regular day-to-day staff work rather than specialized tasks and the management of selections outside of the enterprise talent management platform (Inspira) (ibid., paras. 73–83).

27. Upon request, the Advisory Committee was provided with information on the ratio of staff members to non-staff employees, including consultants, which appears high in some entities. The Committee notes that, in a number of entities, the number of non-staff employees comprises a significant part of the overall workforce, for example at UNICEF, 13,793 staff members, 3,624 non-staff employees and 2,526 consultants were employed for more than five months over a five-year period; at UNHCR, 11,420 staff, 3,709 non-staff employees and 448 consultants were employed for more than five months over a five-year period; and at UNODC, 496 staff members, 1,778 non-staff employees and 528 consultants were employed for more than five months over a five-year period. **The Committee recommends that the General Assembly request United Nations entities to exercise proper oversight in the application of relevant policies and guidelines, such as in the recruitment of and the overall management process relating to non-staff personnel, including consultants, and to ensure the ongoing transparency of information provided thereon.**

4. Managing globally dispersed operations

28. The Advisory Committee recalls the previous observations of the Board with respect to the management of globally dispersed operations. In its most recent report, the Board observed that at UNDP, some country programmes were not reviewed annually, as stipulated, but rather only intermittently, and that at UNHCR, some country operations had not fully documented and implemented formal disaster recovery plans for their information and communications technology infrastructure (see A/73/209, paras. 91–94). **The Committee recalls the Board's earlier**

observations and recommendations on the subject of globally dispersed operations (A/71/558, paras. 29–36). With respect to the United Nations offices covered in volume I, the Committee is of the view that the effective management of such operations is an issue of increasing importance given the ongoing efforts to decentralize and delegate authority to field operations and looks forward to the findings and recommendations of the Board in the context of future audit reviews.

5. Procurement

29. The Board observed that delegations of procurement authority were not reviewed systematically. For example, in its report on the United Nations (A/73/5 (Vol. I)), the Board identified one instance where a delegation of procurement authority had not been reviewed since 2008 (see A/73/209, paras. 95–103). **The Advisory Committee trusts that all audited entities will ensure that delegations of procurement authority are reviewed systematically and regularly.** The Committee has commented extensively on matters related to the delegation of authority and accountability in its report on shifting the management paradigm in the United Nations: implementing a new management architecture for improved effectiveness and strengthened accountability (A/72/7/Add.49, paras. 10–20).

6. Travel management

30. With respect to the advance booking policies, as in the past, the Board observed that a number of entities did not have data available concerning the advance booking of travel (United Nations peacekeeping operations, United Nations Capital Development Fund, UNDP, UNFPA, UNOPS and UN-Women). In other cases, information could not be provided about savings achieved through videoconferencing and other alternative methods of communication (United Nations offices covered in volume I, United Nations peacekeeping operations, ITC, UNICEF, UNHCR and UNRWA) (A/73/209, paras. 104–113). **The Advisory Committee trusts that the Board will continue to examine travel expenditures and broader travel management practices in the United Nations offices covered in volume I and in other United Nations entities, with a view to ensuring the transparent and efficient use of resources (see also A/72/537, paras. 25 and 26).**

7. Statement of internal control at the United Nations

31. The Board observed that no statement of internal control was being prepared at the United Nations (A/73/5 (Vol. I), chap. II, para. 281). The Advisory Committee recalls that the Secretary-General, in his seventh progress report on the accountability system in the United Nations, had indicated that at the end of each calendar year, every head of a department, office or mission would be required to sign a statement of internal control attesting to compliance with the internal control framework under his or her area of responsibility (see A/72/885, para. 48).[8] Upon enquiry, the Committee was informed that the United Nations expected to issue a statement of internal control for the financial year 2019, but that its issuance would be postponed owing to other ongoing priorities relating to the current reform programme. **The Committee notes with concern the delay in introducing a statement of internal control. The Committee considers that an annual statement of internal control is an essential instrument of accountability, specifically with respect to the reform of the delegation of authority, and expects its implementation as soon as possible. The Committee intends to follow up on this matter in the context of related topics, such as the accountability system at the United Nations.**

[8] Endorsed by the General Assembly in its resolution 72/303.

8. Outstanding commitments in the United Nations

32. The Board observed that outstanding commitments totalling $135.9 million had been reflected under annual actual expenditures in statement V of the financial statements for the year 2017. The Board also indicated that an analysis of a sample of outstanding commitments valued at $56.55 million showed that outstanding commitments of $24.23 million had been created for goods and services that had not been delivered in 2017. In the view of the Board, the creation of those commitments as outstanding against the regular budget for the biennium 2016–2017 was not in line with regulation 5.3 of the Financial Regulations and Rules of the United Nations (A/73/5 (Vol. I), chap. II, paras. 42–50). Upon enquiry, the Advisory Committee was informed by the United Nations that the financial statements are prepared on an accrual basis, in compliance with the provisions of IPSAS, and that financial statement V presents actual as compared with budgeted amounts. The Committee was also informed that the aforementioned outstanding commitments of $24.23 million pertaining to goods and services that had not been received by year's end had not been recorded as expenditure. **The Committee concurs with the recommendation of the Board and recommends that the General Assembly request the Secretary-General to undertake, as a matter of routine, an analysis of open commitments at year's end, in line with the provisions of the Financial Regulations and Rules of the United Nations, so as to ensure that unencumbered balances are returned in full and in a timely manner to Member States.**

9. Heritage assets in the United Nations

33. The Board indicated that significant heritage assets owned by the Organization comprised works of art, statues, monuments, historical buildings, books and maps that had been acquired over many years by various means, including through donation and bequest. The Board observed that, while the accounting policy of not recognizing heritage assets in the financial statements was in line with the provisions of IPSAS, the assets were considered to be significant for the Organization, as they were often irreplaceable, in particular as they were of cultural, educational or historical importance (A/73/5 (Vol. I), chap. II, paras. 51–58, and chap. V, note 14). **The Advisory Committee concurs with the Board on the need for a comprehensive and robust internal control system with respect to heritage assets and recommends that the General Assembly request the Secretary-General to develop and implement an appropriate recording mechanism as a matter of priority.**

10. Temporary assignments at the United Nations

34. The Board reviewed the granting of special post allowance to staff assuming higher-level responsibilities. The Board observed that it did not appear that such assignments had been limited to exceptional cases and pointed out that during 2016–2017, 2,468 temporary assignments involving a special post allowance had been granted, with 718 such assignments lasting for more than one year. For temporary assignments initiated between 2008 and 2014, 13 had lasted for five years or more. The Board also indicated that the United Nations had stated that the overuse of temporary job openings was one of the main factors preventing stronger workforce planning in the Organization (A/73/5 (Vol. I), chap. II, paras. 93–99). Upon enquiry, the Advisory Committee was informed by the Board that there was a sequential, or domino, effect of vacant posts being filled through the use of temporary assignments and that during 2016–2017, 1,822 posts had been filled using temporary assignments.

35. **The Advisory Committee concurs with the Board that there is a need to analyse the use of temporary job openings in lieu of issuing job openings. The**

Committee intends to keep this matter under review, specifically the granting of special post allowance, in the context of its review of human resources and other matters.

11. United Nations Children's Fund National Committees

36. The Board highlighted that 21 of the 26 National Committees retained more than 25 per cent of their gross revenue collection; certified financial statements for the years 2015 and 2016 from a number of National Committees were submitted late; and certain investments did not comply with the low-risk investment approach stipulated by UNICEF (A/73/5/Add.3, chap. II, paras. 80–93). **The Advisory Committee concurs with the Board that there is a need for UNICEF to engage with the National Committees on the above-mentioned matters with a view to ensuring greater compliance with stipulated guidelines.**

12. Resident coordinator staffing at the United Nations Development Programme

37. With respect to the level of staffing dedicated to coordination functions referenced in the report of the Board of Auditors on UNDP, the Advisory Committee was informed, upon enquiry, that the resident coordinator system consisted of 470 posts, comprising 36 posts in the Development Operations Coordination Office and 434 posts in the offices of the resident coordinators. With respect to the latter, 129 resident coordinators and resident representatives at various levels allocated 50 per cent of their time to supporting coordination activities and 50 per cent of their time to providing support to their respective UNDP offices. **The Committee intends to address related matters, including in connection with cost-sharing arrangements, in its upcoming reports on the support provided to the resident coordinator system (see also A/72/7/Add.5).**

Annex I

Financial reports, audited financial statements and reports of the Board of Auditors for the financial period ended 31 December 2017 and related reports considered by the Advisory Committee on Administrative and Budgetary Questions

Reports of the Board of Auditors

1. Concise summary of the principal findings and conclusions contained in the reports of the Board of Auditors (see A/73/209 and A/73/209/Corr.1)
2. United Nations (A/73/5 (Vol. I))
3. International Trade Centre (A/73/5 (Vol. III))
4. United Nations University (A/73/5 (Vol. IV))
5. Capital master plan (A/73/5 (Vol. V))[a]
6. United Nations Development Programme (A/73/5/Add.1 and A/73/5/Add.1/Corr.1)
7. United Nations Capital Development Fund (A/73/5/Add.2)
8. United Nations Children's Fund (A/73/5/Add.3)
9. United Nations Relief and Works Agency for Palestine Refugees in the Near East (A/73/5/Add.4)
10. United Nations Institute for Training and Research (A/73/5/Add.5)
11. Voluntary funds administered by the United Nations High Commissioner for Refugees (A/73/5/Add.6)[a]
12. Fund of the United Nations Environment Programme (A/73/5/Add.7)
13. United Nations Population Fund (A/73/5/Add.8)
14. United Nations Human Settlements Programme (A/73/5/Add.9)
15. United Nations Office on Drugs and Crime (A/73/5/Add.10)
16. United Nations Office for Project Services (A/73/5/Add.11)
17. United Nations Entity for Gender Equality and the Empowerment of Women (A/73/5/Add.12)
18. International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991 (A/73/5/Add.14)
19. International Residual Mechanism for Criminal Tribunals (A/73/5/Add.15)
20. United Nations Joint Staff Pension Fund (A/73/5/Add.16)[a]
21. Strategic heritage plan of the United Nations Office at Geneva (see A/73/157)[a]
22. Implementation of the information and communications technology strategy (see A/73/160)[a]
23. Implementation of the United Nations enterprise resource planning system (A/73/169)[a]

[a] To be discussed in a separate report of the Advisory Committee.

Related reports

24. Report of the Secretary-General on the implementation of the recommendations of the Board of Auditors contained in its reports for the year ended 31 December 2017 on the United Nations and on the capital master plan (A/73/353)

25. Report of the Secretary-General on the implementation of the recommendations of the Board of Auditors contained in its reports for the year ended 31 December 2017 on the United Nations funds and programmes (A/73/353/Add.1)

Annex II

Financial ratios for the 2012–2017 reporting periods

	Current ratio						*Total assets: total liabilities*						*Cash ratio*						*Quick ratio*					
Entity	*2017*	*2016*	*2015*	*2014*	*2013*	*2012*	*2017*	*2016*	*2015*	*2014*	*2013*	*2012*	*2017*	*2016*	*2015*	*2014*	*2013*	*2012*	*2017*	*2016*	*2015*	*2014*	*2013*	*2012*
United Nations	3.88	3.41	2.89	2.72	–	–	1.35	1.44	1.46	1.29	–	–	2.42	2.28	1.77	1.5	–	–	3.51	3.11	2.57	2.35	–	–
United Nations peacekeeping operations	1.22	1.17	1.09	0.97	0.97	–	1.19	1.17	1.21	1.25	1.33	–	0.66	0.6	0.56	0.51	0.41	–	1.06	1.04	0.96	0.8	0.79	–
ITC	1.64	1.94	2.76	2.84	–	–	1.05	0.76	1	1.14	–	–	0.85	1.3	1.29	1.26	–	–	1.57	1.86	2.66	2.76	–	–
United Nations Capital Development Fund	17.72	27	18	22.5	30.2	7.5	7.17	9.8	10.3	7.62	6.9	3.6	14.83	20.4	15.6	17.35	24.1	8.6	17.52	26.63	17.67	22.04	28.5	8.6
UNDP	3.77	4.48	3.59	3.65	4.42	4.59	2.76	3.11	2.99	2.82	3.37	3.42	3.44	4.12	3.18	3.13	3.86	3.47	3.62	4.28	3.41	3.37	4.09	4.14
UNEP	5.41	5.17	4.74	3.9	–	–	4.63	5.21	4.8	3.79	–	–	2.66	2.35	2.13	1.61	–	–	1.08	3.69	3.46	2.78	–	–
UNFPA	4.3	5.7	4.5	2.5	4.6	2.8	2.57	2.6	2.9	2.3	2.9	2.2	2.78	3.97	2.6	1.7	2.9	1.3	3.85	5.2	3.8	2.1	4.2	2.6
UN-Habitat	3.6	6.49	4.76	4.72	–	–	3.2	4.71	3.92	3.89	–	–	1.71	2.76	1.92	1.03	–	–	3.28	5.76	4.18	3.4	–	–
UNICEF	4.58	5.13	2.8	2.79	3.18	4.03	2.96	3.38	2.11	2.04	2.05	2.2	2.56	2.78	1.4	1.33	1.73	–	3.55	3.96	4	2.01	2.53	–
UNITAR	22.68	15.02	12.83	4.93	–	–	3.23	2.95	3.02	2.14	–	–	12.22	8.09	7.56	2.95	–	–	20.04	12.4	11.68	4.7	–	–
UNHCR	9.77	8.7	8.6	6.87	8.7	9.2	2.99	2.7	2.7	2.26	3.2	2.6	4.28	4	4.6	3.13	3.5	2.9	8.3	6.9	7.5	5.65	7.3	8
UNODC	4.18	4.05	3.04	3.1	–	–	2.73	2.72	2.46	2.3	–	–	2.92	2.64	1.72	1.62	–	–	4.07	3.86	2.95	1.96	–	–
UNOPS	1.02	0.35	0.85	0.63	0.73	0.79	1.09	1.09	1.07	1.07	1.08	1.05	0.95	0.29	0.82	0.56	0.67	1.05	1.01	0.35	0.84	0.62	0.78	1.04
UNRWA	2.27	2.94	2.63	3.1	2.41	2.31	1.04	1.17	1.24	1.48	1.35	1.34	1.34	1.76	1.56	1.83	1.57	–	1.46	1.91	1.74	2.09	2.14	–
UNU	5.98	3.74	10.35	7.47	–	–	7.29	6.05	7.43	6.63	–	–	4.69	2.31	7.35	7.16	–	–	5.93	3.67	10.27	7.43	–	–
UN-Women	6.17	7.95	8.83	12.55	8.9	4.1	4.07	4.17	4.95	5.23	4.7	3.5	4.04	6.55	7.1	9.87	7.2	3.2	4.99	6.78	7.5	10.3	7.6	3.4
International Tribunal for Rwanda	–	0.94	5.13	2.34	–	–	–	1.14	1.09	0.69	–	–	–	0.72	2.35	1.45	–	–	–	0.93	5.04	2.16	–	–
International Tribunal for the Former Yugoslavia	3.72	5.25	7.11	5.3	–	–	1.36	1.25	1.36	1.07	–	–	2.16	3.31	4.26	3.3	–	–	3.71	5.23	7.06	5.2	–	–
IRMCT	7.88	7.46	0.88	3.96	–	–	0.94	1.17	1.11	2.63	–	–	5.19	1.59	0.79	3.54	–	–	7.69	7.38	0.84	3.92	–	–

Annex III

Cash and cash equivalents and investments for the 2012–2016 reporting periods

	Cash and cash equivalents						*Investments*											
							Short-term						*Long-term*					
Entity	*2017*	*2016*	*2015*	*2014*	*2013*	*2012*	*2017*	*2016*	*2015*	*2014*	*2013*	*2012*	*2017*	*2016*	*2015*	*2014*	*2013*	*2012*
United Nations[a]	270 239	820 343	485 352	597 795	–	–	2 140 326	1 428 837	1 445 740	1 055 386	–	–	722 162	741 169	1 036 992	1 002 627	–	–
Peacekeeping operations[a]	280 876	184 536	576 391	491 997	–	–	1 337 665	1 546 697	1 054 722	812 610	–	–	422 502	433 275	786 089	1 017 507	–	–
ITC[a]	4 303	12 991	7 286	10 229	–	–	38 245	22 991	22 180	19 826	–	–	12 004	11 071	14 930	17 501	–	–
UNCDF	3 867	12 753	6 248	12 063	16 515	37 159	38 795	48 019	54 162	35 174	52 059	38 777	52 788	26 951	48 115	64 530	10 099	13 366
UNDP	1 045 396	917 451	533 980	554 367	1 305 685	1 115 039	2 935 317	3 464 166	2 797 338	2 368 614	2 673 220	1 987 105	2 730 394	2 002 210	2 494 667	2 978 781	2 048 522	2 422 272
UNEP[a]	54 916	169 714	109 653	142 984	–	–	488 973	300 456	329 312	259 613	–	–	153 481	144 677	220 159	221 570	–	–
UNFPA	184 391	213 582	77 359	59 385	122 119	380 129	228 973	324 880	309 171	378 448	360 696	236 635	547 154	218 047	393 902	496 920	283 685	311 648
UN-Habitat[a]	16 904	55 540	36 835	46 738	–	–	149 645	98 158	99 659	76 194	–	–	46 970	47 265	65 750	62 371	–	–
UNICEF	883 578	1 133 528	867 768	1 586 784	1 651 955	949 795	3 716 240	2 681 362	2 575 900	1 630 490	1 941 681	2 199 181	501 088	776 248	1 089 779	1 211 143	449 917	301 026
UNITAR[a]	4 324	5 121	6 115	4 023	–	–	13 062	10 651	10 000	7 785	–	–	0	0	0	6 872	–	–
UNHCR	945 635	972 350	942 874	679 243	614 281	430 968	170 000	150 000	150 000	120 000	120 000	0	0	0	0	0	0	0
UNODC[a]	53 995	143 896	79 479	109 641	–	–	433 904	246 445	229 082	172 383	–	–	136 195	118 669	152 460	145 269	–	–
UNOPS	436 118	399 373	362 687	176 302	166 811	521 334	1 235 261	12 764	667 070	419 660	459 441	385 149	201 217	1 122 613	347 045	533 972	387 268	351 098
UNRWA	271 423	267 225	308 784	305 454	278 395	232 433	25 678	25 073	22 685	21 178	18 682	19 421	4 497	3 988	3 408	2 594	2 395	2 677
UNU[a]	27 493	46 900	53 534	55 520	–	–	21 848	13 388	13 879	23 893	–	–	368 380	315 460	317 057	327 674	–	–
UN-Women	71 176	100 979	41 741	19 226	54 728	104 107	104 163	171 792	189 067	168 829	197 059	124 433	228 327	114 414	150 543	180 182	57 873	93 719
International Tribunal for Rwanda[a,b]	–	14 579	7 278	9 541	–	–	–	25 812	19 725	16 095	–	–	–	12 429	13 235	14 208	–	–
International Tribunal for the Former Yugoslavia[a]	5 864	18 527	12 277	17 704	–	–	52 060	32 741	37 774	28 501	–	–	16 341	15 765	25 346	25 159	–	–
IRMCT[a]	5 561	6 560	9 630	9 902	–	–	49 507	11 605	29 685	18 156	–	–	15 540	5 588	19 918	16 027	–	–

[a] Biennial financial statements for 2012–2013 are based on the United Nations system accounting standards.

[b] Liquidated on 31 December 2016.